



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF NATIONSLINE)
NEW JERSEY, INC. FOR AUTHORITY TO PROVIDE)
COMPETING LOCAL TELECOMMUNICATIONS)
SERVICES WITHIN THE STATE OF NEW JERSEY.)

ORDER

DOCKET NO. TE04040282

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated April 20, 2004 NationsLine New Jersey, Inc. ("Petitioner" or "NationsLine") filed a Petition with the Board of Public Utilities ("Board") requesting authority to provide competing local and interexchange and exchange access telecommunication services within the State of New Jersey. Petitioner requests confidential treatment of the financial information in Exhibit 4 of its Petition. Pursuant to the Open Public Records Act, N.J.S.A. 47: A-1 et seq., the Petitioner has submitted its financial information under seal and has included a sworn affidavit with substantiation for confidential treatment in order to limit the availability of proprietary information.

NationsLine was incorporated under the laws of the State of Virginia on March 2, 2004. Petitioner's principal offices are located at Roanoke, Virginia 24022-1845.

Petitioner submitted copies of its Articles of Incorporation, New Jersey Certificate of Good Standing and its New Jersey Certificate of Authority to operate as a Foreign Corporation. According to the Petition, NationsLine seeks authority to provide local interexchange and exchange access telecommunications services throughout the state of New Jersey. Petitioner seeks authority to provide local exchange telecommunications services to both business and residential customers on a resale and facilities-basis, including but not limited to:

- (A) Local exchange services that will enable customers to originate and terminate local calls in the local calling area served by other local exchange carriers ("LECs").
- (B) Switched local exchange services such as flat-rated and measure-rated local services, vertical services, Direct Inward and Outward Dialed trunks, carrier access and any other switched local services that currently exist or will exist in the future.
- (C) Digital subscriber line and other high capacity line services, and
- (D) Ancillary services such as 911, directory listing, directory assistance and other similar services.

Petitioner states that it has not previously held authorization or provided service in any other state. Petitioner further states that it has not been denied authority to provide telecommunications services in any state nor has its authority been suspended, terminated or revoked in any jurisdiction.

Petitioner states that it intends to rely upon the equipment and facilities of the incumbent carrier for the provision of local exchange services through unbundled elements as well as its own local exchange switch, which will be located in the State of New York. Petitioner will combine switch-less resale leasing loops in conjunction with resale purchasing Unbundled Network Elements ("UNE") from Verizon. Petitioner plans to provide basic telephone exchange services, data services, Internet, digital subscriber line service, access services, and features such as call waiting, call forwarding, speed dialing, distinctive ringing, and three-way calling to mostly business customers as well as some residential customers. Petitioner will also offer operator services, 911 and E911 service, directory listing, and third party calling arrangements as well as local calling services and per use services such as call return and redial. Petitioner will resell LEC services to Petitioner's end user customers as soon as Petitioner enters into a resale/interconnection agreement with the incumbent LECs. Currently Petitioner does not have an interconnection agreement with any other telecommunications companies, but at such time that the Board grants authority, Petitioner will enter into an interconnection agreement with the ILEC of choice. The toll-free number for local customer service is 1-888-477-1224.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3 and N.J.A.C. 14:10 -1.16, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Roanoke, Virginia. Petitioner states, upon written notice from the Board, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that expedited approval of its Petition will augment the competitive telecommunications services which it can offer to all New Jersey customers, including an enhanced range of telecommunications services and an increase in consumer choices. Petitioner states approval of Petition will serve the public interest.

Petitioner states that as evident from the information contained in its Petition, Petitioner has all of the qualified personnel to provide competitive local exchange services, including accounting, engineering, sales, and all other personnel required for Petitioner to provide services.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical, and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to "provide diversity in the supply of telecommunications services" and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed NationsLine's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout New Jersey subject to approval of its tariff and submission of pro forma financials for its New Jersey operations. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60, and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and the Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 the following year.

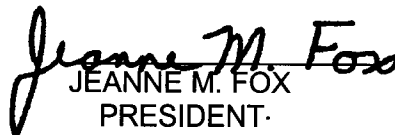
On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements

that the Petitioner maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.


DATED: 8/19/04

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CAROL J. MURPHY
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION FOR AN ORDER AUTHORIZING
NATIONSLINE NEW JERSEY, INC. TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES
WITHIN THE STATE OF NEW JERSEY
DOCKET NO. TE04040282

SERVICE LIST

Serial No.	<u>Name and Address</u>	Serial No.	<u>Name and Address</u>
1	Petitioner's Contact Person: Dominick Marchitto, CEO/President 3435 Chip Drive P.O. Box 11845 Roanoke, VA 24022-1845	4	Board's Staff: Walter Szymanski, Director Division of Audits Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
2	Petitioner's Attorney: Paul E. Flanagan, Esq. McDonough, Bauman, Teehan, Flanagan & Kay 658 Ridgewood Road Maplewood, New Jersey 07040	5	Board's Staff: Anthony Centrella, Director Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
3	Ratepayer Advocate: Seema M. Singh, Esq. Acting Director and Ratepayer Advocate Division of Ratepayer Advocate 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	6	Deputy Attorney General: Alex Moreau Department of Law & Public Safety Division of Law 124 Halsey Street, 5 th floor P.O. Box 45029 Newark, New Jersey 07102